

RUSSIAN REVIEW

Fifteen Cents

SEPTEMBER 15, 1923

Vol. 1, No. 1

The Soviet Union *Review of the Constituent Republics*

The Civil Code of Soviet Russia

Russia's Law Courts

Organization of Russian Industry *The State Trusts*

Soviet Russia and Bulgaria *A Note from Chicherin*

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PUBLISHED BY THE RUSSIAN INFORMATION BUREAU
1726 Twenty-first Street, N. W., Washington, D. C.

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THE RUSSIAN INFORMATION BUREAU will continue the publishing work previously done by the Information Bureau of the Delegation of the Far Eastern Republic. The former Bureau was naturally interested in the Russian Far East that made up the territory of the Republic before the amalgamation with Russia. The Scope of the Russian Bureau will be larger. It will present facts about the economic and political life of all the states which make up the Soviet Union. Its aim will be to publish documents, statistics and trade reports which will answer the questions American businessmen and students of affairs are asking about Russia.

The Soviet Union

Development of the Nationalities in Russia towards the Union of Socialist Soviet Republics

I. FROM TSARISM TO THE REVOLUTION

The Tsarist Russian Empire, as is well known, was made up of a vast conglomeration of different nationalities. Old Russia proper, or Great Russia, consisted of Moscow and the neighboring provinces only, but by the sixteenth century the Tsars had begun to force non-Russian nationalities under their sceptre. This policy met with great success in the Eastern principalities, where resistance was weakest. One after another the small countries lying to the east of Moscow fell victims to the armies or intrigues of the Tsars.

At the end of the eighteenth century and the beginning of the nineteenth century a similar fate overtook the small western States bordering on Russia—Finland, Poland, &c. In the latter half of the nineteenth century Russia already covered one-sixth of the land surface of the entire globe, and contained one-tenth of the total population of the world. In 1897 its total population was nearly 129,000,000 souls, among which the following nationalities were the most important:—

Name of Nationality	Population (thousands)	% of total
Great Russians -----	55,673	43.30
Ukrainians -----	22,415	17.41
Poles -----	7,931	6.17
White Russians -----	5,886	4.57
Jews -----	5,063	3.94
Germans -----	1,790	1.40
Lithuanians -----	1,658	1.29
Latvians -----	1,436	1.12
Esthonians -----	1,003	0.78
Moldavians -----	1,122	0.87
Swedes -----	340	0.29
Tartars -----	3,738	2.91
Kirghiz -----	4,084	3.18
Baskhirs -----	1,439	1.12
Mordvinians -----	1,024	0.79
Chuvash -----	844	0.66
Votiaks -----	421	0.33
Cheremiss -----	375	0.26
Georgians and others -----	1,352	1.05
Armenians -----	1,173	0.91
Lesghians -----	601	0.47
Chechen and Circassians ---	491	0.42
Uzbeks -----	727	0.57
Tajiks -----	350	0.30
Kurds and Persians -----	247	0.19
Turkomans -----	281	0.21
Turks (Siberia) -----	440	0.35
Buriats -----	289	0.22
Yakuts -----	227	0.17

A vast number of other smaller nationalities, which make up the remaining 4.75 per cent of the population, are not enumerated in the above table. Thus, in the Northern Caucasus alone, in the areas which are now the Mountain and Dagestan republics and the neighboring autonomous regions, there are about seventy different nationalities with different languages and customs.

By 1914 the total population of the Russian Empire was estimated to be 170,000,000; unfortunately no statistics later than 1897 are available showing the distribution of nationalities, but the proportions given in the preceding table will not have altered to any great extent.

The interests of all these nationalities, differing in language, culture, and habits, were ruthlessly sacrificed to that of the Great Russians—that is to say, of the ruling classes of Great Russia. During the whole period in which the Russian Empire existed the subject nationalities did not cease to resist their oppressors. In suppressing this resistance the Tsarist Government used any and every method, including direct massacre, the expulsion of inhabitants of whole villages and regions from their native homes, the instigation of pogroms of one nationality by another, and the wholesale transfer of one nationality into the territory of another.

Nor did the Tsarist Government do anything to develop the economic life of the conquered territories; it used them only as a source of raw products (obtained by the most primitive methods) for developing the industries of the center.

Thus the numerous nationalities under the sway of the Tsars had no opportunity of economic, political, or cultural self-development.

The revolution of February, 1917, first opened the door for a wide movement towards national independence. By national independence the subject nationalities, or at any rate, the nationalist middle classes, understood complete separation from Russia; henceforth they were to be "masters in their own house"—and incidentally many of them also cast longing eyes at their neighbors' houses.

But such was not the policy of Kerensky's Provisional Government. Although prepared to cease the more brutal repression practised by the former autocracy, the Provisional Government had no intention of relinquishing its hold upon the subject nationalities. Thus Tseretelli went to the Ukraine to bring the Rada to reason, and

even threats were used to dissuade that body from its separatist aims. The Menshevik Gejechkory was sent to Finland, and with the help of Russian troops dispersed the Finnish Seim when its ambitions became too evident.

Side by side with the middle class nationalist movement amongst the various subject nationalities, a purely proletarian movement was growing almost daily. This was hostile both to the central Provisional Government and to their own nationalist middle-class governments. Its aim was the establishment of independent proletarian States, living in harmony with Russia and all their other neighbors.

This was the state of affairs at the time of the November (Bolshevik) revolution of 1917.

In accordance with the principle already proclaimed by the workers throughout Russia—that every nation has the right to decide its own destiny—one of the first acts of the Soviet Government was the proclamation, by the Council of People's Commissaries on November 15, 1917, of (1) the equality and sovereign rights of all the nationalities of Russia; (2) their full right to self-determination and even to the formation of completely independent States should they so desire; (3) the abolition of all national or religious privileges or restrictions; (4) the free development of national minorities or ethnological groups throughout Russia.

The third Soviet congress, held in January, 1918, upheld this policy, proclaiming that the Russian Soviet Republic was based on a free union of free nations. It was left to the workers and peasants of each nation to decide through their representative congresses whether they desired to participate in the federal government and in the other federal Soviet institutions, and if so, on what basis.

Through all their internal and external difficulties the Soviet authorities maintained the policy outlined in this resolution. For this purpose a special People's Commissariat for Nationalities was created, whose duty it was to apply the Soviet policy and to render assistance to the various nationalities in developing their individual economic, political, and cultural life.

The final result was the unhindered complete separation from Russia of the Border States—Poland, Finland, Latvia, Lithuania, and Esthonia—which formed ordinary middle-class republics. The Ukraine, White Russia, and Transcaucasia formed independent Soviet republics.

The rest of Russia was organized in the Russian Socialist Federal Soviet Republic, which consisted of a voluntary federation of eight autonomous republics and thirteen autonomous regions, all of which, while enjoying full autonomy in their own local affairs, were united in self-defence against common enemies and in the development of a common plan of economic reconstruction.

In subsequent articles we shall deal in greater detail with each of the autonomous republics and regions, and their relations to one another.

(To be continued.)

The Civil Code of Soviet Russia

In the early period of the Revolution there was no single body of legislation on civil rights and obligations to guide the People's Courts and other judicial authorities in the hearing of disputes. Decrees dealing with separate subjects were issued from time to time, and certain rights and obligations, such as those relating to the family and to the conditions of labour, were fully defined at an earlier stage. But other rights and obligations, such as those arising out of contracts and other business transactions, were not defined until the adoption of the new economic policy in 1921 made such definition necessary.

The Civil Code was worked out in 1921 and 1922, and finally ratified by the All-Russian Central Executive Committee in October, 1922. We print below the decree bringing the Code into operation as from January 1, 1923, and the first instalment of the text of the Code itself, which will be continued in subsequent numbers.

DECREE OF THE ALL-RUSSIAN CENTRAL EXECUTIVE COMMITTEE, BRINGING INTO FORCE THE CIVIL CODE.

1. The Civil Code comes into force from January 1, 1923.

2. No disputes whatsoever arising out of civil rights and obligations prior to November 7, 1917, shall be tried by the judicial or other institutions of the Republic.

3. Disputes relating to civil rights and obligations which have arisen in the intervening period from November 7, 1917, up to the coming into force of the Civil Code of the R.S.F.S.R. shall be regulated in accordance with the laws current at the time.

4. In so far as rights and obligations established by the laws current at the time when they

arise are not sufficiently fully regulated by such laws, the provisions of the Civil Code of the R.S.F.S.R. shall be applicable to them.

5. Interpretations extending the provisions of the Civil Code of the R.S.F.S.R. shall be permissible only in cases where the safeguarding of the interests of the workers and peasants' government and of the working masses makes this necessary.

6. Any interpretation of the provisions of the Code on the basis of the legislation of preceding governments or the practice of pre-revolutionary courts is prohibited.

7. The general three years' limit for civil actions shall apply also in the case of rights and obligations which have arisen prior to the coming into force of the Civil Code.

8. The rights of citizens of foreign States, with which the R.S.F.S.R. has entered into definite agreements, shall be regulated in accordance with these agreements.

In so far as the rights of foreigners are not provided for in the agreements with the States concerned, or by special legislation, their rights to freedom of movement throughout the territory of the R.S.F.S.R., choice of occupation, establishment and acquisition of trading or industrial enterprises, acquisition of real rights in buildings and land, may be restricted by decisions of the corresponding central departments of the government of the R.S.F.S.R., in agreement with the People's Commissariat for Foreign Affairs.

Note 1.—Foreign share companies, firms &c., acquire the rights of legal persons in the R.S.F.S.R. only on the basis of special decisions of the Government.

Note 2.—Foreign legal persons not authorized to conduct business in the R.S.F.S.R. have the right to legal enforcement in the R.S.F.S.R. of claims arising outside the territory of the R.S.F.S.R. and relating to respondents resident within its territory, but only on the basis of reciprocity.

9. The Civil Code shall apply throughout the whole territory of the R.S.F.S.R.

The Central Executive Committees of autonomous republics may, with the sanction of the presidium of the A.R.C.E.C., introduce amplifications and modifications of the Code which are necessary for the purpose of bringing it into con-

formity with the special conditions in the republics concerned.

(Signed)

M. KALININ, Chairman of the A.R.C.E.C.
KURSKY, People's Commissary for
Justice.

ENUKIDZE, Secretary of the A.R.C.E.C.
Kremlin, Moscow, November 11, 1922.

THE CIVIL CODE

Adopted by the plenary session of the All-Russian Central Executive Committee, October 31, 1922.

GENERAL SECTION

I. General Principles

1. Civil rights are protected by law except in cases when their enforcement would be inconsistent with their social or economic purpose.

2. Disputes relating to civil rights are decided by process of law. Any renunciation of the right to submit such cases to the courts is invalid.

Note.—Disputes as to property arising between State departments are decided in the manner laid down by a special decree.

3. Rights and obligations in connection with land, the hiring of labour, and the family are regulated by special Codes.

II. Personal Rights

4. With the aim of developing the productive forces of the country the R.S.F.S.R. grants legal status (the right to enter into civil rights and obligations) to all citizens whose rights have not been restricted by the courts.

Sex, race, nationality, religion, and birth shall have no bearing whatever in relation to legal status.

5. In conformity with the foregoing, every citizen of the R.S.F.S.R. and its allied Soviet Republics has the right of freedom of movement and residence in the territory of the R.S.F.S.R.; and also the right to adopt any occupation or profession not expressly forbidden by law; to acquire and dispose of property within the limits laid down by law; to conclude contracts and enter into obligations; and to organize industrial or trading enterprises, subject to the observance of all decrees regulating industry and trade and safeguarding the conditions of labour.

6. No person may be deprived of civil rights or be subjected to any restriction of rights except in the circumstances and in the manner defined by law.

7. Legal status—the right of persons by their own acts to acquire civil rights and to take upon themselves civil obligations—is fully acquired on the attainment of maturity, at the age of eighteen years.

8. Adult persons may be declared by the appropriate authorities to be incapable of transacting their own affairs:—

(1) If in consequence of mental disease or mental deficiency they are incapable of reasonably conducting their own affairs;

(2) If property under their control is being dissipated by their exceptionally wasteful conduct.

9. Minors who have attained the age of fourteen years, and persons under guardianship, as wastrels, may conclude contracts with the sanction of their legal representatives (relatives or guardians). They have the right to independent use of payment received for work done by them, and responsible for any injuries to other persons resulting from their actions.

10. All contracts tending to modify legal capacity or incapacity are invalid.

11. The domicile of a person is the place in which, in pursuance of his work, regular business, or the location of his property, he regularly or mainly resides. Minors and persons under guardianship are regarded as domiciled with their legal representatives, relatives, or guardians.

12. A person who has disappeared without trace may be declared dead after the lapse of five years from the date of publication of the announcement of his disappearance. Registration of such a person in civil records as deceased is made in pursuance of an order of the court, the time of death being taken to be the time when the court's order becomes operative.

Note.—Rules for procedure in connection with the disappearance and death of a person are laid down in a special decree. (Appendix 1.)

13. The term "legal persons" includes corporate bodies, institutions, or organizations, which may, as such, acquire rights in property, enter into obligations, and sue or be sued in court.

14. Legal persons must have a charter or statute confirmed, and in certain cases registered, by the proper authorities. Certain types, as defined by law, of associations for economic objects may be based on a partnership agreement registered in the usual manner, instead of a charter. Legal persons assume legal status on

the confirmation of their charter (or statute), or on registration in cases where registration is required by law.

15. Private institutions with the rights of legal persons, such as hospitals, museums, educational institutions, public libraries, &c., may be established only with the sanction of the departmental authorities concerned.

16. Legal persons participate in civil transactions and enter into contracts through their representative bodies or through their agents.

17. In foreign trade transactions all legal or physical persons domiciled in the R.S.F.S.R. can act only through the medium of the State as represented in the People's Commissariat for Foreign Trade. The independent conduct of business on foreign markets is only permitted in cases specially sanctioned by law, and only under the control of the People's Commissariat for Foreign Trade.

18. The existence of a legal person may be terminated by the State departmental authority concerned if it departs from the objects laid down in its charter or partnership agreement, or if its representative bodies (general meeting or board of directors) conduct their activities in a manner prejudicial to the interests of the State.

19. State enterprises and their associations working on a business footing and not financed out of the Budget conduct their affairs as independent legal persons not associated with the State Treasury. Only such property as is fully at their disposal (i.e., excluding property which cannot be alienated, as defined in paragraphs 21 and 22) is liable to attachment for their debts. Exceptions to this rule are especially provided for by law.

III. Real Rights (Property)

20. Property which is withdrawn from private circulation may be the subject of civil rights only within the limits definitely laid down by law.

21. The land remains the permanent property of the State and cannot be alienated. Possession of the land is permitted only with the right of user.

Note.—With the abolition of private property in land the distinction between movable and immovable property is abolished.

22. Nationalised and municipalised undertakings and their equipment, the railways and their rolling stock, nationalised vessels and also nationalised and municipalised buildings, are withdrawn from private circulation, and may not be

sold or mortgaged by the authorities under whose control they are placed, nor are they liable to attachment for the satisfaction of creditors. Nationalised and municipalised undertakings, buildings, and vessels may be leased out as provided by law.

Note.—The sale of useless or worn out parts of the property referred to in this section is provided for in special regulations.

23. Arms, explosives, military supplies, aircraft, telegraph and wireless installations, notes which have been called in, spirituous liquors exceeding the strength permitted, and active poisons are withdrawn from private circulation.

Note.—The acquisition of hunting weapons and ammunition is provided for in special regulations.

24. Transactions in gold and silver money and foreign exchange are permitted only in the manner and within the limits laid down in special decrees (see Appendix 2).

25. In the determination of ownership of property, any object subsidiary to an important object and subserving its general economic purpose, follows the main object concerned unless the contrary is expressly provided by agreement or legislation.

IV. Contracts

26. Contracts, i.e., acts aiming at the establishment, modification, or termination of civil rights and obligations, may be unilateral or reciprocal (agreements).

27. Contracts may be concluded verbally or in writing. Written contracts may be: (1) ordinary, (2) signed before witnesses, (3) notarial, i.e., completed in a notarial office and entered in notarial records.

28. Contracts which are entered into in writing must be signed by the party to the contract or by his agent.

A person who in consequence of illiteracy, physical deficiency, or illness is unable to sign with his own hand may authorize another person to sign a contract in his name. Such signature must be duly witnessed, and the reason why the party to the contract is unable to sign it with his own hand must be stated.

29. If the form of a contract does not comply with the requirements of the law, the validity of the contract is only affected in cases where the law explicitly states that non-compliance with the formal requirements invalidates the contract.

(To be continued.)

Russia's Law Courts---I.

It is perhaps not generally realized that, ever since the revolution of November, 1917, Soviet judicial institutions have been functioning in every part of the Soviet Republics. In the vicissitudes of the defence against the counter-revolutionary attacks on the Soviet Republics, special tribunals—military, transport, &c.—were set up to deal with special types of cases, but the ordinary cases have throughout been dealt with by the People's Courts.

In the course of 1922 the Soviet Government arranged for the unification and codification of the various decrees and regulations issued during the previous years, and at the same time drafted regulations embodying a formal unified system of judicial institutions throughout the territory of the Soviet Republics. The scheme was put before the plenary session of the All-Russian Central Executive Committee in October, 1922, and after approval by this body was issued in the form of a decree on November 11, 1922, to come into force on January 1, 1923.

In view of the wide interest in the new legal system of Russia, we propose to print the full text of the decree; the following is the first instalment.

JUDICIAL INSTITUTIONS OF THE R.S.F.S.R.

PART I.

I. General

1. In order to safeguard the gains of the proletarian revolution, and to protect the interests of the State and the rights of the labouring masses and their organizations, the following unified system of judicial institutions is hereby established for the whole territory of the R.S.F.S.R.

- (a) People's courts, consisting of a permanent People's judge.
- (b) People's courts, consisting of the permanent People's judge and two assessors.
- (c) Provincial courts.
- (d) The Supreme Court of the R.S.F.S.R. and its subordinate courts.

2. For the trial of cases of special importance, either because of their complicated nature, or necessity of special knowledge and skill for their examination, and also for cases of a dangerous nature involving grave peril to the military strength of the Republic or its economic prosperity, the following special courts are hereby temporarily established in addition to the courts specified in Article I. :—

- (a) Military tribunals, for dealing with offences involving peril to the military

strength of the Red Army.

- (b) Military transport tribunals for dealing with particularly grave offences involving peril to the transport system.
- (c) Four special Labour sessions of the People's courts for dealing with cases of violation of the Labour Code.
- (d) Land commissions, for dealing with disputes in connection with land.
- (e) Central and local arbitration commissions attached to the Council of Labour and Defence and to the provincial economic councils, for dealing with disputes which may arise between various State institutions concerning property rights.

The method of appointing these courts and their system of work are explained in Part IV., Section XII. of this decree.

3. Each People's judge, acting either alone or jointly with two assessors, shall have a specific rural district or town ward assigned to him. In these areas he shall be fully responsible for his actions before the court, or to the higher judicial instances of the R.S.F.S.R. in the manner provided below.

4. The competence of the provincial courts shall extend over the whole territory of the province or region in which they are set up, and in addition to the cases under its jurisdiction, it shall supervise all other courts in the same province or region, except the sessions of the Supreme Court on circuit and the military and military transport tribunals.

5. The Supreme Court of the R.S.F.S.R. shall have within its competence: supervision of all the law courts of the R.S.F.S.R. without exception, appeals against decisions of the provincial courts, supervision of all cases dealt with by any of the courts of the Republic, and examination of cases of special State importance, in the capacity of a court of first instance, in accordance with a special law placing such cases within its competence.

6. The task of the State procurators shall be to supervise the due observance of the law, keep under direct observation preliminary investigations and taking of evidence, and to act as prosecutors at the courts on behalf of the State.

7. The preliminary investigations of criminal offences, within the area assigned to them, or coming within the competence of the various courts to which they are attached, shall be conducted by people's examining magistrates, under

the supervision of the procurators and the provincial courts.

8. In order to provide legal advice for the labouring masses in civil disputes, and to provide defence in the criminal sessions of the provincial courts, a panel of advocates shall be established.

9. Judicial agents shall be appointed to carry out the decisions of the provincial and People's courts. Notaries shall be appointed to execute all the documents necessitated by the provisions of the law.

10. The limits of competence, jurisdiction, and responsibility of all the above-named courts and officials are defined in the corresponding sections and chapters of the present decree.

II. Methods of Election and Recall of People's Judges. Districts Assigned to the People's Court

11. A People's judge may be any citizen of either sex, who has not been convicted by a court of law and who possesses the following qualifications:—

- (a) He is qualified to vote and be elected to the Soviets.
- (b) He has not less than two year's experience of responsible political work in the workers' or peasants' public, industrial or party organizations, or not less than three years' experience of practical work in a Soviet judicial institution, in a post not lower than that of examining magistrate.

Note.—Individuals who have been dismissed from public organizations for serious offences cannot become judges.

12. People's judges are elected by the provincial executive committees, on the recommendation of either the provincial court or the People's Commissary for Justice, for each ward, or area of the province, according to the number of People's Courts.

13. The People's judges are elected for a period of one year, and are eligible for re-election. The dismissal of a judge before the completion of his term, or his transference to another district of the same province, can only be carried out by the decision of the provincial executive committee which elected him, on the recommendation of the People's Commissary for Justice, or on its own initiative. In the latter case, however, a detailed report must at once be sent to the

People's Commissary for Justice, stating the reasons for the dismissal. The recalling of a People's judge can take place only after a trial or in conformity with Article 69-84 of the present decree.

14. The number of People's Courts in the province and their area of jurisdiction shall be fixed by the provincial court and confirmed by the provincial executive committee and the People's Commissariat for Justice. In case of disagreement with the proposed division into districts, the latter is authorized to demand the fixing of a certain minimum number of courts for the province.

(To be continued.)

Organization of Russian Industry

THE STATE TRUSTS—I

When the new economic policy was introduced in 1921 it was proposed to set up as independent units, under the name of State Trusts, most of the enterprises in the hands of the State. This policy has been carried out during 1921 and 1922, but hitherto there has been no detailed decree covering the activities of the trusts, providing for their control and the distribution of the profits made by them. As each Trust was formed, a special charter was drafted and sanctioned; and in the course of the first year after their formation it naturally became apparent that some divergencies of principle had crept in, and that many necessary points had not been provided for.

For some months a lively discussion on the various questions at issue has been conducted, and drafts of a proposed general decree have been freely criticised in the press, besides being submitted to the various authorities concerned. Finally, on April 10, the Council of People's Commissaries issued a "Decree on State Industrial Undertakings working on a commercial basis (Trusts)," which definitely settles the principles on which the Trusts work, and, so far as State Undertakings in Russia are concerned, fills a place analogous to that of the Companies' Acts in Great Britain.

The decree is of considerable length and is divided into the main sections:—

- (1) Definition and general principles.
- (2) Formation and registration.
- (3) Property and extent of liability.
- (4) Financial provisions.

- (5) Controlling bodies.
- (6) Sinking fund, reserves, and distribution of profits.
- (7) Taxes, prices, and State contracts.
- (8) Liquidation provisions.
- (9) Application of the decree.

In the present article we propose to deal with the first two sections, quoting important paragraphs textually; the remaining sections will be dealt with similarly in subsequent articles.

1. Definition and General Principles

Paragraph 1 defines State Trusts as:—

"State industrial undertakings, authorized by the Government to carry out their operations independently, in accordance with a special charter granted to each, and working on a commercial basis with the aim of acquiring profits. The liability of State Trusts is limited to the extent of the property placed at their disposal. The State Treasury is not responsible for liabilities incurred by the Trusts."

Paragraphs 2 and 3 confer the rights of legal entities, and lay down that a Trust may be formed of one or more undertakings or works.

Paragraph 4 provides that Trusts may be formed either by the Supreme Economic Council or by other People's Commissariats, and are controlled by the department concerned in accordance with Section 5 of the decree.

Paragraph 5 provides that, apart from the special rights of the Council of Labour and Defence and the Supreme Economic Council conferred by later sections of the decree,

"No State institution or enterprise has the right to take from the Trust its property or articles produced by the Trust, except by agreement with the Trust."

This lays down the important principle that the property or products of the Trust are not subject to requisition or interference by Government departments, and thus secures the independent commercial position of the Trust.

Paragraph 6 provides for the control, use, and disposal of property given to the Trust under its charter in accordance with the general provisions of the Civil Code.

Paragraph 7 lays down that the relations between the trusts and the trade unions are to be regulated by current legislation on the subject.

2. Formation and Registration

Paragraph 8 provides that the Supreme Economic Council shall draft a special charter for

each trust covering the following:—

- (a) Name of the Trust, location of its office, and list of enterprises forming the Trust, together with their location.
- (b) Aims of the undertaking.
- (c) The term of years for which it is established if any period has been determined.
- (d) The amount of the foundation capital calculated in gold roubles.
- (e) The number, constitution, and powers of the Board of Directors and of the Control and Audit Commission.

It is also provided that further points may be included in the charter in so far as they are not specifically excluded by law.

Paragraph 9 runs:—

"The Supreme Economic Council determines the property (foundation capital) proposed to be handed over to the Trust, and draws up an inventory of this property, with a valuation at current market prices converted into gold roubles."

Paragraph 10 provides that the Supreme Economic Council shall submit the charter, together with the inventory and valuation of property, for confirmation by the Council of Labour and Defence. After confirmation the charter must be registered and published.

Paragraph 11 provides that after confirmation of the charter by the Council of Labour and Defence, the Supreme Economic Council will nominate the Board of Directors and Control and Audit Commission of the Trust, and will hand over to the Board, by a special deed, all the specified property; an initial balance sheet will also be drawn up and verified by the Control and Audit Commission.

Paragraph 12 provides that within two weeks after the taking over of the property, the Board will proceed to register the Trust in accordance with the General Regulations for the Registration of Mixed Joint Stock Companies, depositing with the proper authorities certified copies of the preliminary documents referred to above.

Paragraph 13 provides for the publication in *Ekonomicheskaya Zhizn* of the notice that the Trust has been constituted, with its registered name and other particulars, including the initial balance sheet.

Paragraph 14 provides that any subsequent alterations in the Charter of the Trust or in its foundation capital. &c., must be confirmed, registered, and published in a similar manner.

(To be continued.)

The Foreign Trade Monopoly

In view of the recent consolidation of decrees and regulations governing the detailed application of the monopoly of foreign trade, we give in the following pages the full text of the important decree of October 16, 1922, together with the decree of April 12, 1923, and the regulations under the latter, dated April 18, 1923. These decrees lay down the machinery through which foreign trade is controlled by the People's Commissariat for Foreign Trade and the trade delegations abroad, while at the same time a considerable degree of initiative is left to the State departments and enterprises directly concerned in foreign trade.

DECREE ISSUED ON OCTOBER 16, 1922

In order to regulate the foreign trade of the R.S.F.S.R. and to facilitate the trading operations of the most important State and economic enterprises and organizations, and to meet their needs and requirements in the way of business connections with foreign countries, the All-Russian Central Executive Committee and the Council of People's Commissaries, in extension of paragraph 3 (A) and paragraphs 3 and 4 (B) of the decree on Foreign Trade, No. 24, 1922, Section 26, decrees:—

1. The People's Commissariat for Foreign Trade conducts its activities abroad through the trade delegations of the R.S.F.S.R., which form an essential constituent part of the plenipotentiary missions of the R.S.F.S.R. in each separate country. All commercial enterprises working there, as also separate representatives of the People's Commissariats, departments, and institutions who go abroad for the purpose of carrying on trade operations, act under the immediate direction and control of the trade delegation in the given country.

2. State, central, and local economic enterprises included in a special list are empowered, on condition they observe strictly the principle of the monopoly of foreign trade, to carry on trading operations abroad through the medium of their own special representatives. A list of such enterprises is drawn up by the People's Commissariats, regional economic conferences, and provincial economic conferences, and is ratified by the Council of Labour and Defence.

3. The central and local economic enterprises

or their representatives indicated in paragraph 2 must inform the Commissariat for Foreign Trade or the particular trade delegation of every trade operation they propose to carry out. The Commissariat for Foreign Trade or the particular trade delegation is authorized, on its own responsibility, to give a reasoned prohibition of any such operation.

4. Liability in connection with foreign transactions is borne by the State only when contracts are concluded and signed by the Commissariat for Foreign Trade, or by trade delegations of the R. S. F. S. R. in particular countries, as also by institutions and individuals specially authorized for each separate transaction by a decision of the All-Russian Central Executive Committee, the Council of People's Commissaries, the Council of Labor and Defence, or the People's Commissariat for Foreign Trade.

5. Liability for other foreign transactions, concluded in accordance with paragraphs 2 and 3 of the present decree, rests solely with those State, central, or local economic enterprises which have signed these contracts. The liability of these enterprises is limited by the amount of property at their disposal. The State, People's Commissariats, and separate departments to which the economic enterprise in question may be subordinate bear no joint or secondary liability whatever in connection with such transactions.

Note.—In agreements concluded in accordance with paragraphs 2, 3, and 5 of the present decree a clause must be inserted whereby the agent of the economic enterprise undertakes to refer any claims arising out of the transaction exclusively to the enterprise he represents, and under no circumstances to the State, People's Commissariats, or to particular departments to which the State, central, or local enterprise may be subordinate.

6. The directors of State, central, and local economic enterprises, and their representatives abroad, are punishable for any violation of the present decree (particularly as regards the note to paragraph 5) in accordance with paragraph 110 of the Criminal Code of the R. S. F. S. R.

7. The Council of People's Commissaries will issue instructions for the application of paragraphs 2, 3, 4, and 5 of the present decree.

Note.—The present decree is not applicable to the Centrosoyus, which carries on its operations within the limits of the rights and privileges granted to it by previous decisions of the Government.

DECREE ISSUED ON APRIL 12, 1923

Taking into account the experience gained in

the organization of foreign trade, and the need for its regulation, the All-Russian Central Executive Committee and the Council of People's Commissaries issue the following decree in extension and amplification of the decree of October 16, 1922:—

1. The fundamental trade organizations of the R. S. F. S. R. abroad are the trade delegations of the R. S. F. S. R.

2. Productive State enterprises and their associations which have been organized on a business footing and have been empowered to carry on trade operations on foreign markets in accordance with the decree of October 16, 1922, may sell abroad only articles of their own production, and may purchase only articles necessary for the productive processes of their own enterprises. The resale by these enterprises of the goods bought abroad, as also the sale by them abroad of articles bought in Russia, is prohibited.

Note 1.—The term "articles necessary in the productive processes" covers also articles to be supplied to the workers of the enterprise.

Note 2.—In special cases, when foreign exchange cannot be obtained in any other way, the Commissariat for Foreign Trade may empower the productive State enterprises in question, and their associations, to export goods not of their own production.

3. Particular State productive enterprises and their associations which are sole users of certain classes of import goods may be granted, subject to the observance of current decrees relating to foreign trade, monopoly rights for the purchase of these goods abroad and their import into the R. S. F. S. R. Such rights may only be granted by a special decision of the Council of Labor and Defence in each separate case.

4. No State trading organization may conduct independent import operations in accordance with the decree of October 16, 1922.

Note.—Exceptions to the rule established in this paragraph may be allowed in special cases by the Council of Labor and Defence.

5. Economic conferences of allied republics, in conformity with the statutes of the People's Commissariat for Foreign Trade, and also regional economic conferences, People's Commissariats, and other central departments of the R. S. F. S. R., may be granted, by a decision of the Council of Labor and Defence, the right to have their own agents or special representatives attached to the trade delegations of the R. S. F. S. R. Such agents or representatives shall act in accordance with the regulations issued by the Council of Labor

and Defence on the basis of the present decree. (See Par. 7.)

6. A list of productive State enterprises and their associations empowered to conduct independent trading operations on foreign markets will be compiled by the Council of Labor and Defence.

7. Special regulations determining the mutual relations between the trade delegations of the R. S. F. S. R. and the representatives of productive State enterprises and their associations carrying on trade operations in foreign markets will be issued by the Council of Labor and Defence.

8. The All-Russian Central Executive Committee and the Council of People's Commissaries instruct the People's Commissariat for Justice and its departments to guard more strictly the interests of the State in the sphere of the monopoly of foreign trade, and order the Commissariat for Foreign Trade, its local departments and trade representatives abroad, under penalty of being held personally responsible, to institute criminal proceedings against Russian citizens, whether private individuals or officials, for the violation of the laws on foreign trade monopoly. The Commissariat for Foreign Trade must present a monthly report to the Council of People's Commissaries of proved cases of violation of the laws on the monopoly of foreign trade and the measures taken thereon.

9. The present decree is applicable to the whole territory of the R. S. F. S. R. and its allied Soviet republics.

(Note.—The list referred to in paragraph 6 is given below.)

The Council of Labor and Defence has drawn up the following list of State and economic organs which have the right to engage in export and import trade in foreign markets.

1. **Export of Timber.**—The Timber Trust Bureau, with its centre in London and agencies in Germany and Latvia. The Bureau consists of representatives of the most important timber exporting organizations, with representatives of the Commissariat for Foreign Trade. At the same time, the larger timber exporting trusts, which have been empowered to transact business on their own account, retain this right and need not deal through the Bureau.

2. **Export of Oil.**—The Oil Syndicate with its center in Berlin and departments in London and Constantinople. Other representative agencies

may be opened by agreement between the Commissariat for Foreign Trade and the Syndicate.

3. **Export of Flax, Hemp, and Tow, and similar raw materials.**—The Bureau for the sale of flax, with its departments or agencies in London, Berlin, and Riga. The Bureau consists of representatives of the State Trading Agency (Gostorg), the Flax Trading Agency (Lnotorg), the Centrosoyus, the Central Flax Department (Lnocentre), and the "Khlebprodukt," under the chairmanship of a representative of the Commissariat for Foreign Trade. All other State organs which have flax to export must do so through one of the organs represented in the Bureau.

4. **Textiles.**—The Textile Syndicate may import and export goods.

5. **Import of Coal.**—The Central Department for the Coal Industry of the Donetz, which has agencies in Berlin and London.

6. **Import of Oil.**—Azneft and Grozneft (Azerbaijan and Grozny Petroleum Boards) with their departments in Berlin and London.

7. **Import of Tea and Coffee.**—The Tea Board.

8. **Leather.**—The Leather Syndicate may export or import its goods other than furs and bristles.

9. **Rubber, &c.**—The Rubber Trust exports and imports rubber and asbestos.

10. **General.**—The State Universal Stores—for import and export of goods mainly for consumption; Khlebprodukt—for the export of raw materials, &c.; the State Medical Trading Board (Commissariat for Health) for import and export of medical supplies—this body has a department in Berlin. The Economic Conferences of the Ukraine, White Russia, the Caucasian Federation, the Urals, Siberia, the Southeast, the Northwest, and Moscow, through the representatives of the Commissariat for Foreign Trade on their administrative boards. All the above mentioned Economic Conferences have the right to appoint a representative to the respective trade delegations.

With the exception of the Centrosoyus and the Selskosoyus (Agricultural Co-operative Union), which retain the right to export or import goods in accordance with the decree of March 12, 1922, no institution other than those enumerated above

may engage in independent import or export trade.

With regard to the export and necessary preparations for export of furs, the Council of Labor and Defence has instructed the Commissariat for Foreign Trade to create a special organization for this purpose.

Regarding purchases for scientists and for scientific institutions, the Commissariat for Foreign Trade has been instructed to take all possible measures to purchase these articles by empowering scientists and scientific institutions to send their own representatives abroad and to have goods addressed direct to their own organizations. Should scientists and scientific institutions come to an understanding with corresponding scientists and institutions in Western Europe, purchases are to be made directly by the scientists, under general control by the Commissariat for Foreign Trade. Large purchases of school requisites will, however, be made by the Commissariat for Foreign Trade in consultation with representatives of the Commissariat for Education.

With a view to consolidating the monopoly of foreign trade, the Council of Labor and Defence has adopted a series of resolutions, which on final confirmation by the Council of People's Commissaries and the All-Russian Central Executive Committee, will be issued as decrees.

The authorized trade institutions of the Union of Socialist Soviet Republics abroad are the trade delegations of the Union. Productive enterprises and their associations which have been empowered by the decree of October 16, 1922, to carry on trade on foreign markets may only sell abroad articles of their own production and may buy only such goods as are necessary for the productive processes of their enterprise. The resale of any such goods is prohibited.

In exceptional cases, however, the Commissariat for Foreign Trade is empowered to give permits to particular enterprises, or their associations, to export goods other than those they themselves produce. When such enterprises or associations are exclusive consumers of certain definite imported goods, they may be granted, within the limits of the decrees on foreign trade and by special resolution of the Council of Labor and Defence, monopoly rights for the purchase of these goods abroad.

REGULATIONS, DATED APRIL 18, 1923

Issued by the Council of Labor and Defence in
Accordance With the Foregoing Decree

I. The Despatch of Business Representatives
Abroad

1. In accordance with the following, business representatives may be sent abroad by State enterprises:—

(a) As representatives of State enterprises or their associations which have been empowered to carry on trading operations abroad in accordance with the decree of the All-Russian Central Executive Committee and the Council of People's Commissaries of October 16, 1922;

(b) As representatives of State departments which, in accordance with paragraph 5 of the decree of April 12, 1923, have been granted the right to have agents or special representatives attached to the trade delegations abroad;

(c) As representatives of State departments for technical co-operation in the placing by the trade delegations of orders provided for in the State import plan;

(d) As representatives of State departments for co-operation in the placing of orders in accordance with licences issued;

(e) As special representatives of the People's Commissariat for Foreign Trade, the Council of Labor and Defence, or the Council of People's Commissaries.

2. The credentials and certificates of representatives sent abroad must bear the visa of the People's Commissariat for Foreign Trade, and must be presented to the Commissariat with two copies, one of which it will retain, the other being sent by the Commissariat to the trade delegation concerned. On arrival in the country of destination the representatives must register with the corresponding trade delegation.

Note 1.—The passports of such representatives are marked "On Commercial Business."

Note 2.—The Commissariat for Foreign Affairs and the Commissariat for Home Affairs do not grant visas for traveling "On Commercial Business" unless the credentials and certificates of the representative bear the visa of the Commissariat for Foreign Trade.

Note 3.—A passport marked "On Commercial Business" is not vided by the plenipotentiary representative of the R. S. F. S. R. abroad on the arrival of the appointed individual in the country of destination unless the credentials and certificates bear the visa of the trade delegation.

3. Credentials and certificates of individuals appointed by State enterprises indicated in Par. 1

(a) must be in accordance with Schedules I and II appended to these regulations.

4. The representatives of State institutions mentioned in Par. 1 (b) receive no special credential, their status being shown in a document the form of which is shown in Schedule III.

5. In the credentials of individuals sent for technical co-operation in the placing of orders by the trade delegations (Par. 1 (c)) it must be stated that the bearer is placed at the disposal of the trade delegation.

6. Representatives sent to place orders in accordance with licenses issued (Par. 1 (d)) are given credentials in which it is indicated that they are placed at the disposal of the trade delegation. These individuals are also granted certificates empowering them to carry out transactions, which certificates may be utilized by them only in the cases and in the manner provided in Par. 16 of the decree of the Council of People's Commissaries on the Fixing of Quantities for export and import. The forms of credentials and certificates are shown in Schedules IV. and V.

7. The candidatures of representatives of State enterprises and departments for permanent work abroad in accordance with the decrees of October 16, 1922, and April 12, 1923, must receive the approval of the Commissariat for Foreign Trade.

8. Individuals who go abroad for other than trade purposes are forbidden to represent the commercial interests of State departments.

9. Individuals permanently domiciled in countries where trade delegations exist may only be appointed representatives of State departments with the consent of the trade delegation.

II. Regulations for the Conduct of Negotiations
and the Conclusion of Transactions

10. When opening definite negotiations with foreign firms, representatives of State enterprises (Par. 1 (a)) must give prior notice of the proposed negotiations to the corresponding trade delegation.

11. The trade delegation must inform the representative concerned of any objections to the proposed operations within a fortnight. In the

absence of a reply within this period the representative has the right to start negotiations.

12. The representatives of State enterprises must send every inquiry or proposal simultaneously to commercial or manufacturing firms and to the trade delegation. Other conditions being equal the representatives of State enterprises must place orders and contracts with the trade delegation. On the conclusion of negotiations with firms, the representatives of State enterprises must inform the trade delegation of the proposed conditions of the transaction, which is to be regarded as approved if the trade delegation does not veto it within forty-eight hours, as regards goods quoted on the exchange, and within five days as regards all other classes of goods.

The trade delegation may on its own responsibility refuse to sanction any trade operations, as being commercially disadvantageous, or for political reasons, or because the operation in question does not conform with the general State plan. A trade delegation which has placed a veto on any trade operation because it is commercially disadvantageous must at the same time offer to the State enterprise conditions no less advantageous for the carrying out of a similar operation with other firms or in another country, or must offer corresponding credits on export goods.

13. In cases where a trade delegation refuses to carry out orders through its own machinery for a representative of a State department attached to the delegation (Par. 1 (b)), or when it cannot offer terms as favorable as those offered by private firms, the trade delegation, on the recommendation of the State department representative concerned, must conclude in its own name but on account of the State department in question a contract with the private firm recommended and on the proposed terms. The trade delegation may, however, refuse to conclude such a contract in cases when it considers the contract to be inadvisable on political grounds or commercially disadvantageous.

14. For the conclusion of a commission contract for a prolonged period the representatives of State departments, in addition to the consent of the corresponding trade delegations, must also obtain authority from the central department they represent and the Commissariat for Foreign Trade.

15. Representatives of State departments are forbidden to have any connections, except through the trade delegation, with the central government

departments of the country to which they have been sent.

16. Negotiations regarding concessions and generally regarding the investment of foreign capital are conducted in accordance with the decree on the Chief Concessions Committee for March 8, 1923.

III. Reports and Financial Arrangements

17. Representatives of State departments and enterprises must present to the trade delegations regular financial and general reports of their work, at such periods and in such form as may be required by the trade delegations.

18. The representatives of State departments and enterprises must, whenever required, submit all their books and correspondence to the trade delegations or individuals appointed by them for the purpose of audit and control.

19. The trade delegation is authorized to demand copies of all correspondence or part thereof from the representative of a State department or enterprise (Par. 1 (a) and (b)).

20. All financial resources of State departments and enterprises must be kept in the current accounts of the trade delegations, but are spent by the trade delegations only on account and in accordance with the requests of the representative concerned. The trade delegation is responsible to State departments and State enterprises for the due payment of sums required out of the amounts paid into its current account.

IV. Expenses and Remuneration

21. Representatives of State departments sent abroad will be financed in accordance with special instructions drawn up by the Commissariat for Foreign Trade with the consent of the departments concerned. The salaries of permanent representatives of State departments and enterprises abroad are paid on the scale and in the manner provided in the regulations governing the trade delegations, out of the funds of the department or enterprise concerned.

V. Measures to be Taken Against the Infringement of these Regulations, and Provisions for the Settlement of Disputes.

22. Disputes arising between commercial representatives and the trade delegation, on questions not provided for in the regulations, are referred to the plenipotentiary representative in

the country concerned.

23. In particularly important and urgent cases the plenipotentiary representative is authorized to remove from his post any representative of a State department or enterprise, but the department or enterprise concerned must be notified immediately of such action.

24. Any infringement of the present regulations will be regarded as equivalent to violation of the decree on foreign trade (Par. 8, Decree of April 12).

25. In accordance with Par. 7 of the decree of April 12, 1923, the regulations issued by the Council of People's Commissaries on October 16, 1922, are superseded by the present regulations.

(The schedules to the regulations are not reprinted here, as they are merely forms for credentials, &c.)

STANDARDIZATION OF EXPORTS

The improvement in the general economic position of Russia and the definite prospects of a considerable revival in export trade have led the Soviet authorities to turn their attention to improving and standardizing the quality of the goods exported. They hope to be able to export definite standard qualities of goods, each quality bearing its proper grade stamp. In Tsarist days, Russian export goods were notorious for their lack of standardization. They were despatched unsorted, and were bought in this form at exceedingly low prices. Generally they were sorted and graded abroad, and finally sold at high prices under the trade mark of a foreign firm.

The reasons for this method of exporting from Russia were the economic backwardness of the country, the primitive methods employed in production and in the working up of raw materials, and the low level of skill and education among the masses. The Russian traders themselves relied largely on the maxim, "Unless you succeed in deceiving your customer you will not sell." The main sufferers from this state of affairs were the peasants, who were forced to sell their raw products at ruinously low prices.

When Russia began to export raw products again after the revolution, this evil, though recognized almost from the first, remained for some time unremedied. But now, on the initiative of the Commissariat for Foreign Trade, the standardization of Russian export goods has be-

come an urgent question of the day. The Commissariat will be helped in carrying out this work by the fact that it has the monopoly of foreign trade in its hands. It is work that cannot be accomplished easily and rapidly; and in establishing standards of quality and purity attention will have to be paid not only to theoretical standards, but also to the actual methods still prevailing in the production and working up of Russia's exports. In establishing standards for certain exports there has had to be, and will have to be in future, a certain compromise between the desirable and the possible.

The Commissariats for Agriculture and Internal Trade, the Supreme Economic Council, and Cooperatives have all recognized the importance of this problem, and are taking a hand in solving it.

The method adopted by the Commissariat for Foreign Trade is in the first place to collect all possible material on the process of producing, working-up, sorting, packing, and exporting the raw product in question; a conference is then called, consisting of representatives of the Commissariat for Foreign Trade, of the enterprises and organizations interested in the production and export, &c., of the goods, with the participation of technical experts and of scientists.

In this way standard qualities have already been fixed for flax, furs, ores, soda, rubber products, oil products, fish products, wool, spirits, tobacco, drugs, foods, grain, offals, and a number of other products.

Although it will undoubtedly take time to raise the quality of Russian raw exports to the desired level, the energetic action of the Commissariat for Foreign Trade will certainly result in raising the quality considerably above the pre-war standard. It is particularly noteworthy that the mere fact that export bodies are participating in fixing standard qualities has already resulted in a certain improvement in the quality of goods exported by them during the last few months.

Export Standardization Decree

In order to improve the quality of the goods exported from Russia, the following decree was issued by the Council of Labor and Defence on May 2:—

- (1) All institutions and organizations con-

cerned in the preparation and storing of export goods, and in exporting the latter abroad, must conform exactly with the technical conditions of standardization, sorting and packing, laid down by the People's Commissariat for Foreign Trade as stated below.

(2) These standards are drawn up by the Commissariat for Foreign Trade in conjunction with the Supreme Economic Council and the Commission for Internal Trade or in certain cases in conjunction with the departments and organizations concerned.

(3) All goods exported from Russia must have the following marks or stamps; (a) the name of the institution or organization dispatching the goods (the permanent trade mark of the firm); (b) a stamp showing the standard of quality, and (c) the quantity in the unit adopted for that class of goods.

(4) Apart from the granting of licences and certificates for export, the Commissariat for Foreign Trade must watch over the observance of the rules regarding standards, packing and sorting of all goods exported from the R.S.F.S.R. and its allied Republics.

(5) Should there occur repeated cases of export goods not conforming with the regulations and standards laid down, the Commissariat for Foreign Trade is empowered to stop the issue of the necessary licences or certificates for export to the institutions or other bodies responsible.

(6) The cost of organization of this control over the quality and condition of export goods will be borne by the Commissariat for Finance in accordance with a special estimate presented by the Commissariat for Foreign Trade.

(7) The Commissariat for Foreign Trade is to work out detailed instructions for the application of this decree.

METALLURGICAL PROGRAMME 1923-28

The Presidium of the State Economic Planning Commission has adopted the following minimum programme for the development of Russian metallurgy:

	1923-4	1924-5	1925-6	1926-7	1927-8
	(Millions of poods)				
Cast iron ----	25	35	45	60	75
Martensite --	30	52	65	78	91
Steel -----	30	40	50	60	70

Russia's Trade Balance

It was not until the beginning of this year that Russia could even begin to think of restoring her trade balance. During 1920 and 1921 the energies of the Russian Government were directed towards re-establishing trading relations with the rest of the world, while Russia's industry and agriculture were in ruins as a result of the world and civil wars, intervention and blockade and of the unprecedented famine; so that the restoration of trade relations meant at first ever increasing imports.

During 1922 exports first began to develop slightly, the total exports for the whole of that year amounting to 81,000,000 gold roubles at pre-war prices, or about 150,000,000 gold roubles at current prices. This was only 29 per cent of the imports, which amounted to 274,000,000 gold roubles at pre-war prices.

This was the first year in which the Russian economic departments carried out more or less extensive export operations. Much attention and energy had of necessity to be devoted to breaking down the opposition and prejudices of foreign firms against Russian exports, and to winning international markets.

At the same time, in the course of the year, Russia's financial position gradually improved. The immense importance of foreign trade for the general economic life of the country became more and more clear. The need for a favorable trade balance also became apparent. This was reflected in the whole foreign trade legislation of the government towards the end of 1922 and the beginning of 1923.

Whilst it was recognised that exports must be increased in every possible way, and imports cut down, it was at the same time that Russia must not be deprived of goods which would help the economic development of the country. However, so much it was desirable to restrict imports, the import of instruments of production, both agricultural and industrial, which are not manufactured on a sufficiently large scale within the country had to be encouraged in every way. Only the import of luxury goods, or goods not urgently needed for economic restoration, could be restricted.

On the other hand, even exports had to be restricted, where the goods to be exported were essential to the development of Russian industry.

The whole policy of the government was directed not only towards the speedy attainment of a favorable trade balance, but also towards the regulation of foreign trade in such a way as to make possible a rapid industrial and agricultural revival. From the beginning of 1923 the figures for Russian trade show a decided and growing improvement in the trade balance. The tendency as a whole is towards increasing exports and diminishing imports—particularly, of course, food imports, which were very important in 1921 and 1922 owing to the famine.

During the first six months of this year Russia's export operations were developed on a much larger scale than had been possible since pre-war days. Russia came forward again as a grain exporter. The total trade turnover, it is true, diminished considerably in comparison with the same period in 1922, but this diminution is due to a decrease in imports (foodstuffs). The total turnover in pre-war prices (1913) during the first six months of 1923 was 113,000,000 gold roubles—imports amounting to 60,000,000 gold roubles, and exports to 53,900,000 gold roubles. The imports for the same period in 1922 amounted to 152,700,000 gold roubles, and the exports only 24,800,000 gold roubles. Exports have more than doubled in value and imports have decreased two and a-half times.

The excess of imports over exports has decreased from 127,900,000 gold roubles to only 6,100,000 gold roubles. It is, moreover, particularly important to note that that improvement in the trade balance has not been obtained at the price of limiting the import into Russia of machinery or other instruments of production. It is almost entirely due to an increase in exports and the diminution of food and similar classes of imports.

The figures given above refer to the trade of the R.S.F.S.R., but it is interesting to note that the foreign trade of the other republics of the Union, in so far as we have independent figures show a similar tendency towards the establishment of a favorable trade balance.

The following table illustrates the trade balance of the Transcaucasian Republic—

1922	Exports Imports Trade balance		
	In million gold roubles		
1st quarter	5.5	15.9	—10.4
2nd quarter	6.1	20.7	—14.6
3rd quarter	11.1	26.6	—15.5
4th quarter	7.5	12.0	— 4.5
Total 1922	30.2	75.2	—45.0
1923			
1st quarter	4.6	3.5	1.1

Here we see that the total turnover in the last quarter of 1922 and the first quarter of 1923, in the Caucasus as in other parts of Russia, decreased, considerably as a result of the regulation of trade by the Commissariat for Foreign Trade. But a decided improvement in the trade balance took place, and for the first time there is actually an excess of exports over imports. No later figures are yet available, but there is little doubt that this favorable balance will have been maintained during the second quarter of 1923.

THE REVIVAL OF AGRICULTURE IN RUSSIA

Statistics recently issued by the People's Commissariat for Agriculture show the area sown for the 1923 harvest, together with comparative figures for 1916, 1920, 1921, and 1922. The following table summarizes the statistics, and shows the effect of the partial failure of crops in 1920 and the great famine of 1921, together with the substantial improvement resulting from the 1922 harvest.

It must be pointed out that the area under cultivation in 1916 was considerably higher than the average pre-war area. The total of the 1916 area—217,000,000 acres for the areas now included in the Union—compares with 205,000,000 acres in 1912, for the whole of the then Tsarist Empire, i.e., including Poland and the other countries now detached from Russia. Therefore the area now under cultivation in the Soviet Union, although only seventy-three per cent of the 1916 figure, is above eighty per cent of the pre-war average, and is probably as much as eighty-five per cent.

Unfortunately no data are available for the Ukraine sown area in 1920. It will be noted that the total increase over the whole of Russia, for the 1923 harvest as compared with the 1922, is very nearly 10,000,000 dessiatines—27,000,000, acres.

Total Sown Area (Winter and Spring)
(in thousand dessiatines)

Harvest	R.S.F.S.R.	Ukraine	Total	Percentage of 1916
Year				
1916	60,933	19,490	80,423	100.0
1920	45,887	no data	—	—
1921	37,639	17,110	54,749	68.1
1922	35,090	14,386	49,476	61.5
1923	43,170	16,196	59,366	73.8

With regard to the position in the different regions of Russia, very considerable recovery has been made in the Middle and Lower Volga regions so far as the winter sowings are concerned, but the recovery is less marked for the spring sowings. Altogether, the relation between the area winter sown and the area spring sown has altered very considerably since 1916. In the tables which we give below full details of this change in the different provinces can be seen. For the whole of the R.S.F.S.R. in 1916 the area winter sown was 32.3 per cent of the total, the spring sowings accounting for the remaining 67.7 per cent. By 1923 the winter-sown area formed 38.6 per cent of the total, while the spring-sown had fallen to 61.4 per cent.

This change is very largely due to the steps taken by the central and local authorities during recent years to get as large an area as possible sown during the autumn—a policy which also met the views of the peasants. The purpose was, of course, to ensure that as much grain as possible was sown, and in view of famine and semi-famine conditions between 1919 and 1922 it was essential that the grain should be put into the ground early, both in order to prevent the grain from being used as food for the animals and to avoid the prejudice of the following year's harvest, and in order to get the actual work in the fields done before famine conditions had exhausted men and animals.

In the early part of last winter there was considerable anxiety as to whether the peasants might be deterred from carrying out the programme of sowing for the 1923 harvest, owing to the extremely low prices of grain current at that time. The figures show that this anxiety was needless, as the peasants fully realized that the price of grain in Russia depends very largely on the purchasing power of the Russian industry.

AREA UNDER WINTER GRAIN
(in thousand dessiatins: 1 dess.=2.7 acres)

	1916	1920		1921		1922		1923	
	Area	Area	Per cent. of 1916	Area	Per cent. of 1916	Area	Per cent. of 1916	Area	Per cent. of 1916
Middle Volga	4756.9	4350.8	91.4	4009.6	84.0	2839.7	59.7	3948.6	83.1
Lower Volga	1260.2	908.2	72.0	886.8	70.4	672.0	53.3	1160.7	92.1
Near Ural	1121.0	921.4	82.2	913.7	81.5	625.4	55.8	817.5	73.0
Ural	620.6	505.1	81.4	455.5	73.4	472.5	76.1	767.7	123.7
North-western	625.4	525.0	84.0	548.5	87.7	589.4	94.2	692.3	110.7
Northern	260.5	224.3	86.1	209.0	80.2	236.7	90.9	198.8	76.3
Steppe (Kirghiz)	199.1	121.1	60.8	74.1	37.1	76.3	38.3	169.9	85.3
White Russia	1702.9	1121.3	65.8	1242.2	72.9	1498.9	88.0	1636.5	96.1
Siberia	468.2	400.9	85.6	400.9	85.6	330.2	70.5	451.6	96.5
South-east	2442.6	1580.2	64.7	1589.1	65.1	1591.7	65.2	1455.6	59.6
Crimea	390.0	255.0	65.4	8.9	2.3	79.0	20.3	125.0	32.1
Central agricultural	4667.1	3487.7	74.7	3219.2	69.0	3434.3	73.6	4018.8	85.9
Central industrial	1160.8	1073.4	92.4	1059.9	91.3	1096.3	94.4	1221.3	105.2
Total R.S.F.S.R.	19675.3	15474.4	78.7	14617.5	74.3	13542.4	69.0	16655.3	84.2
Ukraine	6614.2	—	—	5772.4	87.2	5637.5	85.2	5496.1	83.1
Grand total	26289.5	—	—	20389.9	77.5	19179.9	73.0	22151.4	84.2

AREA UNDER SPRING GRAIN
(in thousand dessiatins: 1 dess.=2.7 acres)

	1916	1920		1921		1922		1923	
	Area	Area	Per cent. of 1916	Area	Per cent. of 1916	Area	Per cent. of 1916	Area	Per cent. of 1916
Middle Volga -----	6258.4	5408.0	86.4	3727.6	59.6	3962.3	63.3	4855.8	77.6
Lower Volga -----	3734.1	2421.6	64.9	1475.2	39.5	1278.0	34.2	1713.5	45.9
Near Ural -----	1270.0	761.6	60.0	718.6	56.6	485.4	38.2	603.5	47.5
Ural -----	4196.1	3339.5	79.6	2309.9	55.0	1029.4	24.5	1473.0	35.1
North-western -----	1037.9	512.8	49.4	617.0	59.4	651.0	62.7	711.4	68.5
Northern -----	415.0	277.2	66.8	309.7	74.6	321.0	77.3	331.6	79.8
Steppe (Kirghiz) -----	3064.0	2626.1	85.7	2300.3	75.1	1628.3	63.1	1785.8	58.3
White Russia -----	2400.2	1364.2	56.8	1411.7	58.8	1835.8	76.5	2232.6	93.0
Siberia -----	5536.1	5362.1	96.9	3213.5	58.0	3204.5	67.9	3410.2	61.6
South-east -----	5441.8	3245.8	60.8	2860.4	53.5	2148.1	40.2	2855.7	53.5
Crimea -----	388.0	255.0	65.6	244.2	62.8	94.8	24.4	130.0	33.5
Central agricultural -----	6153.6	3892.2	63.3	2808.0	45.6	3625.2	58.9	4618.6	75.1
Central industrial -----	1462.4	947.6	64.8	1025.4	70.1	1284.2	87.8	1521.8	104.1
Total R.S.F.S.R. -----	41258.2	30412.7	73.7	23021.5	55.8	21547.7	52.2	26514.7	64.3
Ukraine -----	12875.9	—	—	11337.6	88.1	8748.2	67.9	10699.8	83.1
Grand total -----	54134.1	—	—	34359.1	63.5	30295.9	56.0	37214.5	68.7

regions, and that the revival of agriculture is an essential part of the revival of Russia's economy as a whole. The peasants were also greatly encouraged by the energetic measures taken to organize the export of grain of foreign countries, which would not only give a better return on the grain actually exported, but would result in raising the general level of grain prices in Russia. There can be little doubt, therefore, that the area sown for the next year's harvest, 1924, will be increased even above the present year's level, and that in fact it will be equivalent to the pre-war average even if not to the 1916 area.

It is too early as yet to give any detailed figures of the estimated total harvest for the present year. But in view of a statement published in "The Times" on July 28, to the effect that this year's harvest will be some ten per cent below that of 1922, we may point out that this is an utterly unwarranted suggestion. The area sown this year is twenty per cent higher than that sown for 1922; and the reports on the condition

of the crops show that, while there are no regions with such bumper harvests as occurred last year in some areas, the general average is good, and there is no reason whatever to doubt that the total yield will be at least ten per cent above that of the 1922 harvest.

(To be continued.)

EXPORT OF GRAIN

The People's Commissary for Food, Briuhanov, writing in "Izvestia", says that as a result of this year's harvest it may be anticipated that 550 million poods of grain will be placed on the free market, and 250 million poods will be available for export abroad.

STATE BUDGET ESTIMATES, 1922-23

Income		Expenditure	
	In Gold roubles		In Gold roubles
(1) Direct taxation -----	363,594,212	(1) A.R.C.E.C. -----	7,231,2
(2) Indirect taxation -----	153,981,083	(2) Council of People's Com. -----	1,458,2
(3) Customs -----	15,639,725	(3) State Economic Planning Com. -----	225,3
(4) Transport, posts, tel. &c.-----	349,199,495	(4) P.C. for Foreign Affairs -----	1,238,0
(5) State property -----	46,449,000	(5) " " Home Affairs -----	43,143,8
(6) State industrial, commercial, and financial undertakings ---	16,379,683	(6) " " Nationalities -----	844,6
(7) Repayment of State advances -----	25,238,565	(7) " " Justice -----	7,321,2
(8) Miscellaneous -----	876,574	(8) " " Education -----	48,220,3
(9) Credit operations -----	85,106,383	(9) " " Labor -----	2,021,0
		(10) " " Health -----	15,802,2
		(11) " " Social Welfare -----	4,356,2
		(12) " " Workers' and Peasants' Insp'ct'n -----	4,649,0
		(13) " " Finance -----	130,840,4
		(14) Central Statistical Department -----	4,928,3
		(15) P.C. for Agriculture -----	19,180,8
		(16) " " Food -----	74,727,3
		(17) Supreme Economic Council -----	34,323,4
		(18) P.C. for Foreign Trade -----	4,849,0
		(19) " " Transport -----	460,612,3
		(20) " " Posts and Telegraphs -----	30,396,3
		(21) " " War -----	210,486,8
		(22) " " Marine -----	20,273,8
		(23) United Autonomous Republics -----	48,820,0
		(24) Loans and Subsidies to indust. -----	94,430,4
		(25) Loans to agriculture -----	58,510,6
		(26) Financing the State Bank -----	26,595,7
		(27) Loans to local authorities &c. -----	63,160,0
Deficit -----	362,414,797		
Total -----	1,418,816,517	Total -----	1,418,816,5

OIL OUTPUT: JANUARY-JUNE

The output of oil during the first six months of 1923, as compared with the same period for 1922, is shown in the following table:—

	1923		1922	
	Baku	All R.S.F.S.R.	Baku	All R.S.F.S.R.
	(In thousand tons)			
Jan. -----	296	422	250	386
Feb. -----	269	385	240	363
Mar. -----	301	436	268	406
Total for 1st qtr.	866	1,243	764	1,155
April -----	302	429	240	374
May -----	318	460	274	418
June -----	315	443	246	405
Total for 2nd qtr.	935	1,332	759	1,197

As in most other industries the first and second quarters of this year have yielded better output than the corresponding quarters of last year. The proportional increase for the second quarter compared with the first has been greater this year than last. The monthly output of the Baku oilfield only fluctuates slightly about the average of 300,000 tons per month, but with the exploitation of the new wells which are being bored at present time it will undoubtedly increase in the near future.

RUSSIA'S TRADING PORTS

In pre-war times practically the whole of the marine trade of Russia was concentrated in southern and Baltic ports. Out of 1.7 million poods of goods imported and exported in

year, forty-four per cent. went through the southern ports, forty-eight per cent. through the Baltic ports, and only eight per cent. through the northern and eastern ports.

Grain, which was one of the chief exports, went mainly via the southern ports, particularly through Odessa. Timber, which came second, went through the Baltic and the northern ports, chiefly Petrograd. Ores, the exports of which amounted to 1,670,000 tons a year, went mainly through Poti (1,000,000 tons) and Nikolaev (670,000 tons). Oil was exported via Batum, and to a less extent via Novorossisk.

First place among the imports was taken by coal. Imported mainly by the Baltic (3,600,000 tons), only 420,000 tons were imported by the southern ports, and rather less than 75,000 tons by the northern ports (Archangel). Manures, earthenware, cotton, machines, and various other goods, which amounted to over 2,000,000 tons, were imported via the Baltic (1,150,000 tons) and the southern ports (910,000 tons). Vladivostok played but little part in the trade of European Russia.

The world war and the subsequent civil wars put an end to the development of Russian ports, with the exception of Archangel and Murmansk, which were necessary for strategic purposes. The gradual shallowing of the channels and harbors, the disordered state of port equipment, and the ruin of many valuable vessels such as dredgers, ice-breakers, tugs, etc., lessened the receiving capacity of the ports, sometimes to the extent of thirty to forty per cent., as was the case in Rostov, Mariupol, and the Kherson ports.

Such was the state of affairs in 1920, when the ports came one after the other under the control of the R.S.F.S.R. Then for the first time it was possible to commence the work of reconstruction.

Towards the end of 1922, when the Far Eastern regions with Vladivostok and Nikolaevsk-on-the-Amur joined the republic, the work of restoring and reorganizing the ports assumed a more regular character. This became still more evident in 1923 with the formation of the Union of Soviet Republics, and the inclusion of Batum, Poti, and Sukhum (the Georgian ports) within the system of Russian ports.

The most difficult and responsible work which faced the Commissariat for Transport was the restoration of the ports in time, in order not to hinder home and foreign trade which was beginning to revive. It was hoped to restore the ports to their pre-war level.

For this purpose a series of concrete measures were taken in 1922 to prevent any further silting up of the worst channels and to improve the conditions of shipping. This and other work was done just in time; an immense increase in the volume of trade done came at this time. In 1920 the total volume of trade done in all the ports of the republic, except those of the Caspian Sea, was rather less than 80,000 tons. In 1921 it was 980,000 tons, and in 1922 it was 2,800,000 tons. In Petrograd the volume of trade done in 1922 was a quarter of the pre-war volume.

These results are perhaps the best proof that can be given of the restoration of the economic life of the country. Industry, particularly the agricultural, timber, and mining industries, has shown a decided revival in output; and at the same time trade operations with other countries are assuming month by month a more regular and stable character, and growing steadily in volume.

In accordance with approximate estimates the volume of trade that will be done by the various ports in 1923 will probably reach about a third of the pre-war. This means a trade turnover of from 5,800,000 to 6,600,000 tons, not including the Caspian ports.

Taking into accounts the equipment and capacities of the various ports the Commissariat for Transport has made a plan, distributing to each of them the work to be done in 1923. Most of this work will fall on Odessa, Nikolaevsk, Theodosia, Novorossisk, and Mariupol. The Commissariat for Transport has also drawn up a plan embodying the most urgent measures to be taken immediately for increasing the capacity of the ports in order to make them capable of dealing with the coming export activities. These measures may be divided into five groups:—

- (1) An intensification of dredging in the following ports: Odessa, bringing the depth to 30 feet; Nikolaevsk, to deepen the channel to the port to 26 to 27 feet; Kherson, to deepen the channel from 16 to 21 feet; Rostov-on-Don, to bring the estuary of the Don to a depth of 10 feet; Mariupol, to deepen the channel to 22 feet; Berdian, to deepen the channel and port to 17 feet, instead of as at present 16 feet.

- (2) Structural works, including the repair of warehouses, stockades, and wharves, to be used particularly in the work of transporting grain.

- (3) Ship repairing, particularly for the purpose of increasing the output of tugs, and the repair of the dredgers, ice-breakers, etc.

(4) Increase of the ice-breaking equipment in the Black Sea, in order to prolong the period of navigation in the Black Sea and Azov ports. Two powerful ice-breakers will be transferred from Archangel for this purpose.

(5) Equipment of Odessa and Theodosia with the necessary machinery, and the repair of the floating elevators at Kherson, in order to accelerate grain loading operations.

CHIEF CONCESSIONS COMMITTEE

The Union Council of People's Commissaries has adopted the statutes for a Union Chief Concessions Committee attached to the C. P. C. The Concessions Committee controls all questions affecting the admission of foreign capital to participation in the trade and commerce of the U. S. S. R. A Concessions Commission, acting under the direction of the Chief Concessions Committee, will be attached to the Council of People's Commissaries of each Republic entering into the Union. No institution has the right to negotiate for granting concessions without the special permission of the Chief Concessions Committee. The latter has the right to establish concession commissions attached to the trade missions of the U. S. S. R. abroad. The statutes have been sent to the Union Central Executive Committee for ratification.

Statement of the Russian Central Book Chamber

The Russian Central Book Chamber has been functioning in Moscow in conjunction with the State Publishing Company ("Gosizdat") since 1920. It is a successor to the Russian Book Chamber of Petrograd, which in 1920 was renamed the Institute of Book Science.

The Russian Central Book Chamber is also connected with the Russian Chief Science Committee.

The following are the functions of the Russian Central Book Chamber:

(1) It receives directly from the printers free of charge 25 copies each of all books and magazines published within the territory of the Union of the Soviet Socialist Republics and 9 copies each of all newspapers, music and minor prints

not exceeding 2 sheets. These are distributed to the principal libraries.

(2) The Chamber publishes a semi-monthly magazine "Book Annals" which prints a bibliographical description of the first copy of all publications received.

(3) It preserves the first copy of all publications in the archives of the Chamber. The archives furnish bibliographical informations.

The Chamber maintains a department called "The Bureau of International Book Exchange." This Bureau makes arrangements with foreign publishers, scientific institutions, universities, etc., to exchange publications. The Chamber sends Russian publication in exchange for foreign publications. The exchange is made volume for volume, title for title, or sheet for sheet, depending on arrangements made in each case. No payments of money are made in these transactions. The parties to the exchange receive and send only the specified publications ordered by them.

The publishers and scientific institutions of the United States may avail themselves of the offer of the Russian Central Book Chamber to exchange publications or to receive information about Russian publications.

All correspondence and inquiries should be addressed to the Russian Central Book Chamber, 48 Tverskaya, Moscow.

New Patent Law in Russia

A special commission of the Central Control Committee, together with the director of the Patents Committee of the Supreme Economic Council, Martens, a representative of the Patent Department of the Commissariat for Transport, Professor Dreer, and representatives of various industries has been set up to prepare a draft plan for a law on patents. The Commission has now reported, and the following are the most important features in its recommendations.

Foreign inventors enjoy the same rights as Russian citizens only when Russian inventors enjoy corresponding rights in the country of the inventor in question.

The holder of a patent has exclusive right to exploit it industrially and commercially over the whole of the U.S.S.R.; to transfer it; to bequeath it; and also to grant licences for its exploitation, on certain conditions.

A patent referring to State defence or of ex-

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ceptional State importance may, in the absence of voluntary agreement, be expropriated in the interests of the State. A special legal decision is necessary in each individual case; the owner of the patent must be duly compensated.

Patents are issued for a period of fifteen years from the day of their publication.

The holder of a patent must utilize it within the territory of the U.S.S.R., either personally or by the issue of licences to other individuals, within a period of from three to seven years. The products shall be as far as possible sufficient to satisfy the needs of the home market (due account being taken of the technical possibilities of the country). Should this condition not be fulfilled, the patent committee may raise the question of invalidating the patent.

Such invalidation, as also the issue of compulsory licenses, may only be carried out by a court of law. In addition, every individual may submit to a court of law a case for invalidating a patent or a demand for the issue to him of a licence for the proper exploitation of the invention.

Violation of the rights of an inventor is punishable in accordance with Paragraph 198 of the Criminal Code.

The issue of patents and also of expert advice on inventions is exclusively in the hands of the Patents Committee of the Supreme Economic Council.

The allied and autonomous republics are empowered to organize special bureaus, attached to their economic councils, for the receipt of notices of inventions; they must send these subsequently to the Patents Committee of the Supreme Economic Council.

On the announcement of the issue of a patent a duty of 25 gold roubles is payable. The annual duty during the first three years is to be five roubles, after which the duty rises progressively reaching 150 roubles for the fifteenth year. Non-payment invalidates the patent.

ILLITERACY

The work of abolishing illiteracy in the Red Army was attended with great success, and there is now probably not a single soldier who cannot read and write, or who is not nearly finishing his training in reading and writing. It is impossible

to estimate the influence upon the countryside of these young men who leave the villages as illiterates and return from army service masters of the written and printed word.

The work of abolishing illiteracy amongst workers and peasants who are not subject to the concentrated and disciplined influence of army life is not so easy. The task of educating adult working men and women in the towns has been assumed by the trade unions. Apart from the difficulty of finding school accommodation, instructors, books, and so forth, the illiterate worker must be made enthusiastic enough to submit himself voluntarily to an irksome course of training, the results of which cannot become apparent except with the expenditure of much time and patience.

At the beginning of 1922, of the 7,000,000 working men and women affiliated to the trade unions, there were 1,000,000, or nearly 15 per cent, illiterate. At the beginning of 1923 the number of illiterates was 400,000.

These 400,000 illiterates still remaining in the ranks of the trade unions are adult working men and women of all ages. The chances of creating enthusiasm for education are perhaps greatest with persons under thirty-five years of age, and get increasingly more remote beyond that age. It has been proposed that efforts should be made by the trade unions to abolish illiteracy completely among the workers, at least below middle age, before May 1. The unions are this year better equipped for the task. There are now in existence 2,300 schools for illiterates created by the trade unions; 1,830 of these schools are among the miners, railwaymen, builders, textile workers, and metal workers alone. The difficulty is not so much to provide the education as to create the enthusiasm for education. It is suggested that all sorts of inducements be offered, such as release from work for several hours a week for the purpose of learning, giving first preference to literate workers when applying for a job, rewards and distinctions on the conclusion of the educational course, and so forth. The Moscow executive of the Union of Soviet Employees has recommended that local organizations should include in all collective agreements a clause freeing illiterate workers from their duties for two hours daily, to enable them to be taught to read and write. The unions are everywhere keenly supporting the educational campaign.

Soviet Russia and Bulgaria

BULGARIAN TREATMENT OF RUSSIANS Telegram of M. Chicherin to the Bulgarian Premier, M. Tsankoff, August 9, 1923

Lately there has been taking place an unbroken series of systematic persecutions, violent attacks, and unheard of crimes in general, on the part of the Bulgarian authorities, acting hand in hand with the White Guard emigres—the enemies of the Russian people—towards the Russian Red Cross Mission in Bulgaria, the repatriation workers, and to ordinary Russians awaiting repatriation. The Russian Red Cross representative in Plevna, Shelepugin, was at first arrested by the Bulgarian authorities and then murdered under mysterious circumstances, being subjected before death to the most refined tortures. Immediately after this another Red Cross representative, Morozov, was nearly beaten to death. After orders had been received from Russia calling the Russian Red Cross Mission, the Bulgarian Government, on the excuse of lying and calumnious accusations, arrested the Mission, subjected it to domestic arrest and repeated searches, and announced its expulsion.

It is impossible to recount all the indignities inflicted upon the repatriation workers and Russian citizens by the Bulgarian authorities and the Russian counter-revolutionaries. When the s.s. "Ignatii Sergeev", the property of the Russian Government, arrived in Varna to take the Red Cross Mission on Board, it was seized by the port and police authorities by order of the Governor Chimchiroff. The police by force placed on board a group of 678 persons, without either documents or visas. The Commissary of the steamer was inveigled on shore by fraud, arrested by the Governor, and assaulted.

From amongst the vast number of members of the non-partisan Repatriation League arrested, assaulted, and tortured, I can quote as particularly notorious the tortures inflicted upon Yerevin, Popoff, Karaulny, Zhurkevich, Vladimir Inanov, Komarizky, Ludzin, and Panaitov. The Russian citizen Mme. Harlambova was arrested for no reason in Varna, struck across the face with a switch, and subjected to six searches with indescribable insults. The Russian citizens awaiting repatriation arrested in Varna were on July 12th subjected to mass torture. M. Gudzenko, representing the Agricultural Exhibition Committee, was also arrested by the Bulgarian authorities,

and, according to the information at our disposal, has not yet been released.

These unprecedented crimes were accompanied by a campaign of calumny on the part of the representatives of the Bulgarian Government, taking the form of a number of false statements and insults directed both against the Russian Red Cross Mission and against the Soviet Government. From certain indications in the Bulgarian press, it seems indubitable that the Bulgarian authorities, after seizing the office and archives of the Red Cross Mission, placed forged documents in them to justify the slanderous campaign carried on by Bulgarian ruling circles against the Soviet Republics.

The Union Soviet Government declares that it places full responsibility for the above acts on the Bulgarian Government, and demands the immediate liberation of M. Gudzenko and all the arrested members of the repatriation organizations, as well as all the Russian citizens arrested solely for their desire to return to their native country. The Union Government requests the Bulgarian Government to give full satisfaction, an apology for the above acts, and compensation for all citizens of Russia and the united republics who have suffered loss or injury in connection with these events. It demands the exemplary punishment of all Bulgarian officials guilty of ordering or participating in the acts previously mentioned, and also the most stringent punishment and expulsion from Bulgaria of the Russian counter revolutionary emigrants who took part

The Union Soviet Government has to draw attention to the fact that in various regions of the Soviet Republics there are living Bulgarian citizens who hitherto have enjoyed the constant favorable attitude of the Soviet authorities, who afforded them the possibility of peaceful labor in the Soviet Republics, independently of their party views and political sympathies. This can be testified by the Bulgarian citizens themselves who well know of all the political and economic advantages arising from friendly relations between Bulgaria and the Soviet Republics, and particularly the importance which trade with Russia has for Bulgaria.

The Union Soviet Government calls the attention of the Bulgarian Government to the serious results of its activities against the Russian people and the people of the Soviet Union. It reminds the Bulgarian Government that the political leaders of the Bulgarian people have more than

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once complained of the painful position of the latter in its international relations, and to the oppression suffered by the Bulgarian people in other countries. By its policy of violence against Russia, the Red Cross workers and citizens awaiting repatriation, the Bulgarian Government is acting in conflict with the primary necessity for the Bulgarian people of struggling against the policy of oppression.

Awaiting from the Bulgarian Government an immediate reply to its justifiable demands, the Government of the Union of Socialist Soviet Republics will be obliged, if satisfaction be refused, to place on the Bulgarian Government the full weight of responsibility for the consequences, in particular for the repressive measures which against its will the Union Government will be obliged to adopt in the case of certain Bulgarian citizens living in Russia.

At the same time the Union Government protests in the face of the whole world against the provocative activities of the Russian counter-revolutionaries and the present Bulgarian Government, to which peaceful Russian citizens on Bulgarian territory have fallen victims, and which may yet react on certain Bulgarians in the U.S.S.R.

RUSSIA AND WRANGEL ISLAND

Note from M. Chicherin to the British Agent in Moscow, August 22, 1923

The People's Commissariat for Foreign Affairs presents its compliments to the Acting British Agent, and wishes to state the following:

In connection with report in British newspapers to the effect that an expedition led by Mr. Vilhjalmar Stefenson had raised the British flag on Russian territory, to wit, on the Isle of Wrangel in the Arctic Ocean, the Government of the Russian Federal Soviet Republic addressed itself to the British Government in a note of the 24th of May 1923, asking to be informed as to whether this act had taken place with the knowledge and sanction of the British Government.

To this inquiry no reply has been forthcoming. Likewise there has been no reply from the British Government to a second note communicated by the Russian Government to the British Government on May 28th, 1923, after the receipt by the Russian Government of additional information inti-

imating that Mr. Stefenson in raising the British flag on the Isle of Wrangel, acted in the capacity of an agent of the Government of the Dominion of Canada.

The Government of the Union of the Socialist Soviet Republics, being wholly unable to understand the absence of the requested explanations, and having in the meantime learnt that new expeditions are being planned by British subjects to the Isle of Wrangel, finds it necessary again to state that it regards the Isle of Wrangel as an integral part of the Union of the Socialist Soviet Republics.

The Isle of Wrangel was officially incorporated as Russian territory, and the Russian flag raised thereon, by an expedition organized by the Russian Government and led by Lieutenant Wrangel, in 1821-24. Russian sovereign rights to the island have never been questioned by any other government, and it has been generally looked upon as Russian territory. This position is taken by British official sources as well, so, for instance, the British official publication "The Arctic Pilot" (Vol. I, 3rd Edition, 1918) admits that the Isle of Wrangel was discovered by a Russian expedition. It may also be noted that all geographic maps, including the British "Phillip's New General Atlas" (1921 Edition), put down the Isle of Wrangel as Russian territory.

In the year 1910, the Russian Hydrographic Arctic Expedition, under the command of Vilkitsky, made measurements around the island, and built thereon an iron navigation pyramid for the guidance of ships seeking entrance to the Southwest part of the island, this pyramid being the first and only erection on the island. Thus the Russian Government took concrete steps to assert its rights and its duties as the possessor of the territory.

Finally, in September, 1916, the Russian Government formally notified all the Allied and neutral Governments that the Isle of Wrangel, together with other islands and territories adjoining the coast of Siberia, constituted an integral part of Russian territory. This notification elicited no objections on the part of any of the Governments so addressed, including the British Government.

Therefore, the Federal Government is compelled to notify the British Government that it regards the raising of the British flag on the Isle of Wrangel as a violation of Russian sovereign rights.

APPEAL OF GENERAL PEPELIAYEFF TO THE RUSSIAN "WHITE" OFFICERS AND SOLDIERS*

*Note.—General Pepeliayeff was one of the leaders of the Kolchak "white" armies that fought against Soviet Russia. After the collapse of Kolchak, General Pepeliayeff lived in Harbin, Manchuria, and later joined the Merkuloff-Semenoff crowd organized and supported by the Japanese militarists in Vladivostok. Last year Pepeliayeff undertook an expedition to the Yakutsk province, arriving there on boats through Okhotsk. After being surrounded by the soldiers of the Red Army sent from Vladivostok during the summer of this year, he surrendered. Pepeliayeff has been taken to Vladivostok and conveyed from there to the interior where he has for the first time since the revolution seen the New Russia.

"From captivity, but still from my mother country, I am writing to you, refugees, my former companions in arms—officers and soldiers.

"I asked to publish this appeal of mine in order that my frankly expressed thoughts might reach the Russians living outside of Russia.

"From the beginning of the Siberian movement I fought the communist power. I had one aim—the liberation of my mother country and the prevention of the decay and ruin of its national economy, considering, with most of the intelligenzia, the communist power as able only to destroy with passionate cruelty the foundations of stateshood.

"The same feeling of infinite love toward my people and mother country was driving me when at the appeal of representatives of the Yakutsk province, with a handful of courageous men, I went to the far and severe Yakutia to stretch from there my arm of help to the people which, as it seemed to us, was perishing under the power of the communists.

"We were moved only by the feeling of self-sacrifice, but we did not know the general situation in Russia, judging it only by the arbitrary unlawful cruelties of some separate local representatives of the government that were spoken of abroad as the common actions of the central power.

"With my troops I stood an unheard of difficult march; we made 2000 versts in a terrible cold, often starving, living at times even on flesh of dead animals.

"We did not force our will upon anybody; we left it everywhere to the people to organize their life according to their wishes; we did neither rob nor shoot and notwithstanding this we still met with disaster.

"Having lost nearly half of our combatants we

were forced to return to the seashore.

"In the port of Ayan we voluntarily surrendered without resistance to the regular Red Army. Surrendering I expected that an immediate massacre would begin, that nobody would inquire into the causes that made us abandon our families and labor and prefer the terrible hardships of the severe campaign; I expected jeerings from the conquerors.

"But it was different.

"We did not meet any enmity from the commanders and not even from the Red Army common soldiers.

"With surprise and great joy did I notice that the animosity has subsided, the enmity has abated and that the Russian people again became brothers.

"And now we are in captivity and we do not know our future fate, but independent of it I wish to appeal to you, brothers, refugee officers and soldiers, who like us last year, are anguishing for Russia not knowing what is going on in the mother country.

"That what I see around me, what I hear and read, convinces me that there is no necessity of saving Russia—Russia is saved. Out of the nightmare of the years of civil war there has been forged a real new free Russia.

"The Soviet Government is firmly on the road of regenerating the country in every respect. The people are resting from the former bloody struggle for power. Everywhere goes on the most energetic and organized work.

"Trade is being re-established, the stores are open, as well as the markets, fairs, exhibitions. The prosperity of the peasants is being raised, the peasants have to pay only the state tax, a small percentage, disposing of the rest of the products of their labor the way they please themselves. The Co-operatives are working intensively. The industries are being re-established and colossal attention is being devoted to the army. Fighting might of Russia is being created. Russia as never before is acquiring weight and importance in international relations.

"And these are my thoughts now: This is the Russia we were dreaming of in our endless severe campaigns. I am deeply convinced that any struggle against the Soviet Government now will be a struggle against Russia. I do not appeal to those, who are dreaming of the old Russia, the Russia of landlords who dream of getting back their estates and privileges; I do not appeal to

those who make selfish gain of the civil war; I appeal to those only who like us have dreamed and looked for a Free Russia. For such people there is no necessity now to suffer abroad; they may freely return and quietly work among their own people.

"May nobody suspect that I am writing this under fear. I am an old soldier who looked into

the face of death in numerous battles in the civil and German wars and I do not have to fear responsibility. The aim of my appeal is to warn those who sincerely love their people and mother country that they may not find themselves in such a tragic situation as we did."

(Signed) GENERAL PEPELIAYEFF.

July 3, 1923.

Miscellaneous News

AGREEMENT WITH AN AMERICAN COMPANY

The People's Commissariat for Foreign Trade has concluded an agreement with the Allied American Corporation for the import of machines, drugs, and cotton, and the export of furs, bristles, casings, asbestos, and other raw materials. Several large contracts have been concluded, and there are excellent prospects of developing the work.

ALL RUSSIAN AGRICULTURAL EXHIBITION

Opening of Foreign Department of Agricultural Exhibition

The Foreign Department of the Agricultural Exhibition was opened on August 26th in the presence of members of the Government and of the Diplomatic Corps, of workers and peasants' delegations, and of representatives of the Russian and foreign press. The Department was opened by Svidersky, the Assistant People's Commissary for Agriculture. While the Russian section of the Exhibition is the realization of the link between the peasant and the worker, he said, the Foreign Department is recognized in Russia as constituting a link between the workers of the U.S.S.R. and the peoples of the whole world. Krasin, People's Commissary for Foreign Trade, said that the Exhibition would show the vast possibilities of Russian agriculture; it would serve as the first step for linking up the mass of foreign enterprise with the great tasks before the Soviet Government in the sphere of the restoration of

agriculture. The Turkish Ambassador, Mukhtar Bey, spoke on behalf of the Diplomatic Corps, emphasising the great international importance of the Exhibition. Chicherin, who was met with an ovation, thanked Mukhtar Bey in the name of the Soviet Government, and declared that the Foreign Department of the Exhibition was a pledge that Russia's policy towards other countries was one of peace and of the peaceful settlement of all disputes. This was Russia's way of countering international conflict: "We clearly see the dangers facing our Republic and do not abandon our arms, but the object of our policy is to strive to allay world disputes. The Foreign Department of the Exhibition must be a factor in the application of the policy of the victory of peace over war. We are specially pleased to see here representatives of friendly Powers, and representatives of foreign industry. Their presence shows that the world links between the peoples, composed of their common requirements in the process of production, are extending. The Soviet Republics, placed as they are between the peoples of the West and of the East, try to establish connections with both worlds and thus to cement their friendship. The Foreign Department is a symbol of this process." In conclusion, Chicherin greeted the organizers of the Foreign Department in the name of the Commissariat for Foreign Affairs, expressing his confidence in their aid for the Commissariat's policy of world peace. Tondor, speaking on behalf of the foreign exhibitors, emphasized the enormous interest evoked by the Exhibition abroad, and expressed their readiness to work in harmony with Russia for the establishment of commercial relations. He concluded his speech with a call for

three cheers for "the first Soviet Exhibition in the world." The opening concluded with the speech of Antzelovich, a member of the Exhibition Committee from the Trade Unions.

EX-CHANCELLOR WIRTH IN MOSCOW

In conversation with a "Rosta" correspondent, M. Wirth, the German ex-Chancellor, said that the object of his journey was to become acquainted with the new Russian State and to encourage German industrial circles to extend their work in the spirit of the Rapallo Treaty for the purpose of restoring Russia. Discussing impressions of Russia, he said he felt that the new Russian Government was in direct contact with its people. This was particularly confirmed by the Agricultural Exhibition, which was a big achievement in organization and technique. The Exhibition is of a most illuminating and instructive character, and thanks to it tens of thousands of peasants, workers and Red soldiers were being educated as pioneers of progress. On the internal position of Germany, Wirth said that Germany was being impoverished by the Ruhr struggle and her desperate economic position. The French policy was one of destruction. The question of reparations was closely connected with the question of the freedom of the working class.

RUSSIA AND JAPAN.

Yamasaki, the president of the Japanese in-

dustrial delegation to the Exhibition, said that the latter had aroused great interest in Japan, and expressed his hope for the most speedy restoration of commercial relations in friendly alliance with the U.S.S.R.

RUSSIA AND FRANCE.

Before leaving for Paris, Senator De Monzie told a "Rosta" correspondent that he had become convinced of the necessity of a trade rapprochement between Russia and France.

RUSSIAN MINISTER TO DENMARK

M. Hein, the new Russian Minister to Denmark, has handed his credentials to the Danish Foreign Office.

WIRELESS AGREEMENT.

The Council of People's Commissaries has approved the agreement between the Russian Electrotrust and the General Wireless Telegraph Company of Paris.

REVISION OF CODES.

The People's Commissariat for Justice has set up a commission for the revision of the laws affecting marriage, guardianship, and family rights.

INTERNATIONAL FAIR.

The Russian Co-operatives have been invited to participate in the International Fair at Koenigsberg.

